

**UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF ILLINOIS  
PEORIA DIVISION**

**UNITED STATES OF AMERICA**

vs.

**PRAIRIE FARMS DAIRY, INC.,**

*Defendant*

**Criminal No: 95-10034**

**Filed: [2/20/96]**

**Judge: McDade**

**Violation:**

**15 U.S.C. § 1**

**SUPERSEDING INFORMATION**

The United States of America, by and through its attorneys, charges:

I.

**DESCRIPTION OF THE OFFENSE**

1. Prairie Farms Dairy, Inc. is hereby made a defendant on the charge stated below.
2. The defendant and others entered into and engaged in a combination and conspiracy to suppress and eliminate competition by rigging bids submitted for the award and performance of contracts to supply milk products to certain public schools in certain counties in the Central District of Illinois, including but not necessarily limited to Lincoln Elementary School District No. 27, Northwestern Community Unit School District No. 2, Washington School District No. 52, and Illinois State University in Normal. The charged conspiracy began at least as early as 1982 and continued to include contracts to provide milk products to school

districts for the 1989-1990 school year, the exact dates being unknown to the United States. The combination and conspiracy, engaged in by the defendant and its co-conspirators in unreasonable restraint of trade and commerce, violated Section 1 of the Sherman Act (15 U.S.C. § 1).

3. The charged combination and conspiracy consisted of a continuing agreement, understanding, and concert of action among the defendant and its co-conspirators, the substantial terms of which were:

- (a) to allocate among the corporate co-conspirators contracts with certain public schools for the supply of milk products to those accounts;
- (b) to refrain from submitting bids or to submit collusive, noncompetitive, and rigged bids to certain public schools for the supply of milk products to those accounts; and
- (c) to have the designated corporate co-conspirators supply milk products to certain public schools at noncompetitive prices.

4. For the purpose of forming and carrying out the charged combination and conspiracy, the defendant and its co-conspirators did those things that they combined and conspired to do, including, among other things:

- (a) discussing among themselves the submission of prospective bids to certain public schools;
- (b) designating which corporate co-conspirator would be the low, responsive bidder for contracts to supply milk products to certain public schools;
- (c) refraining from bidding, or submitting intentionally high, complementary bids for contracts to supply milk products to certain public schools;
- (d) having the designated corporate co-conspirators supply milk products to

certain public schools and receive compensation therefor; and

- (e) concealing and attempting to conceal the conspiracy.

## II.

### DEFENDANT AND CO-CONSPIRATORS

5. Defendant Prairie Farms Dairy, Inc. is a corporation organized and existing under the laws of the State of Illinois with its corporate headquarters in Carlinville, Illinois. During the period covered by this Superseding Information, Prairie Farms Dairy, Inc. was engaged in the sale and distribution of dairy products in various locations within the State of Illinois and elsewhere.

6. Various corporations and individuals, not made defendants in this Superseding Information, participated as co-conspirators in the offense charged and performed acts and made statements in furtherance of it.

7. Whenever in this Superseding Information reference is made to any act, deed, or transaction of any corporation, the allegation means that the corporation engaged in the act, deed, or transaction by or through its officers, directors, employees, agents, or other representatives while they were actively engaged in the management, direction, control, or transaction of its business or affairs.

## III.

### TRADE AND COMMERCE

8. The business activities of the defendant and its co-conspirators that are the subject of this Superseding Information were within the flow of, and substantially affected, interstate trade and commerce.

9. During the period covered by this Superseding Information, the Federal

Government partially subsidized the purchase of school meals in Illinois and elsewhere for the purpose of helping to provide nutrition to children. The subsidized meals included dairy products which are the subject of the conspiracy charged in this Superseding Information. Because of these subsidies, a continuous and uninterrupted flow of a substantial amount of federal funds crossed state lines into the State of Illinois.

#### IV.

#### JURISDICTION AND VENUE

10. The combination and conspiracy charged in this Superseding Information was carried out, at least in part, in the Central District of Illinois, and is not barred by the Statute of Limitations.

ALL IN VIOLATION OF TITLE 15 U.S.C. SECTION 1.

Dated: February 20, 1996

\_\_\_\_\_/s/\_\_\_\_\_  
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Antitrust Division

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